



Chinese Mainland and Hong Kong IPO markets

2024 Q1 review

17 April 2024

kpmg.com/cn



Contents



Global IPO landscape



A-share IPO market



Hong Kong IPO market





Global IPO landscape

Global IPO market: 2024 Q1 highlights

A cautious start to 2024 Q1 marked by a shift in regional performance.



Geopolitical uncertainties remain

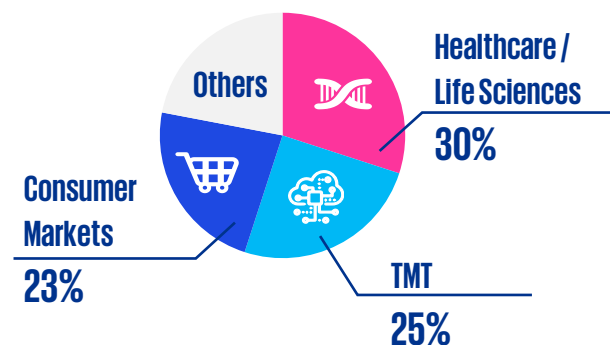


Inflationary pressure still present

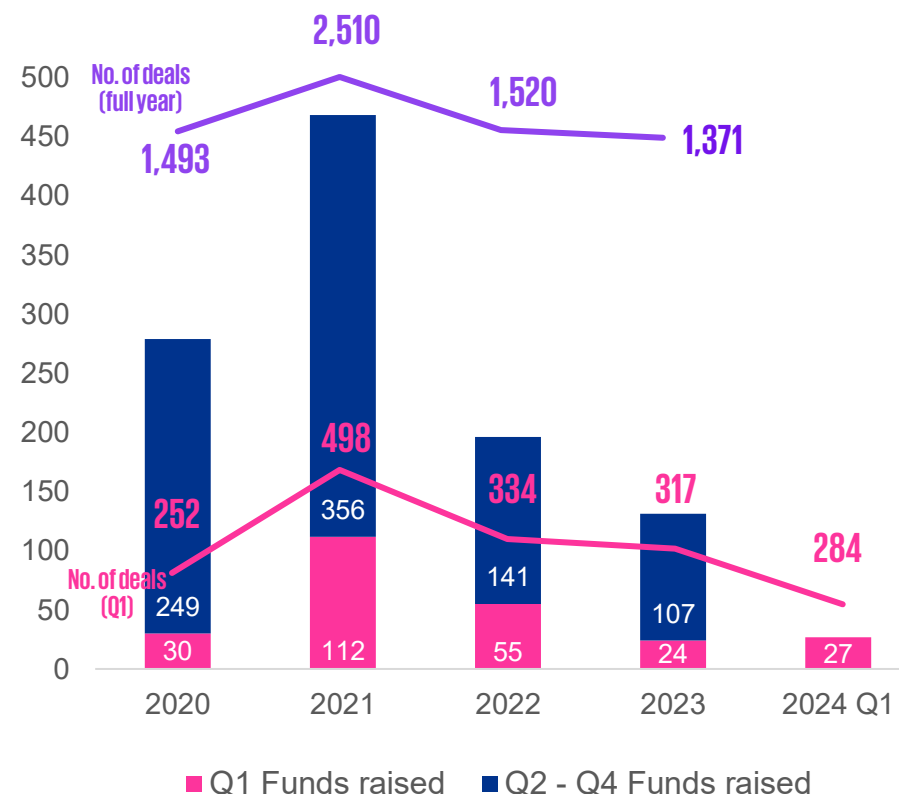


Diverse predictions on rates cut

Top 10 IPO's sector distribution by funds raised



Global IPO funds raised (2020 - 2024 Q1) (USD'B)



USD27.1B

Total Funds Raised

▲ ~15% compared to 2023 Q1



284

Completed IPOs

▼ ~10% compared to 2023 Q1



3

Deals with fund raised >USD 1B

▲ 1 compared to 2023 Q1



USD95.3M


Average Deal Size

▲ ~25% compared to 2023 Q1

(1) Analysis based on actual data as at 31 March 2024..

(2) Sources: Bloomberg and KPMG analysis, included REIT deals and excluded special purpose acquisition company ("SPAC" or "blank check") deals.

2024 Q1 Global IPO Rankings

	2024 Q1 YTD	2023 Q1 YTD	FY2023	
1st	New York Stock Exchange USD 4.8B	Shanghai Stock Exchange USD 6.2B	Shanghai Stock Exchange USD 31.3B	<p>U.S. stock exchanges: ~35%</p> <p>A-share stock exchanges: ~20%</p>  <p>Global proceeds</p> <p>Other stock exchanges</p>
2nd	NASDAQ Stock Exchange USD 4.1B	Shenzhen Stock Exchange USD 4.8B	Shenzhen Stock Exchange USD 22.0B	
3rd	Shanghai Stock Exchange USD 3.4B	Abu Dhabi Securities Exchange USD 3.0B	NASDAQ Stock Exchange USD 12.5B	
4th	SIX Swiss Exchange USD 2.6B	NASDAQ Stock Exchange USD 2.1B	New York Stock Exchange USD 9.8B	
5th	Shenzhen Stock Exchange USD 2.1B	Hong Kong Stock Exchange USD 0.9B	National Stock Exchange of India USD 6.9B	

(1) Analysis based on actual data as at 31 March 2024.

(2) The exchange rate for USD/HKD is 7.75.

(3) Sources: Bloomberg and KPMG analysis, included REIT deals and excluded special purpose acquisition company ("SPAC" or "blank check") deals.

2024 Global IPO market outlook

“

With ongoing market challenges from 2023 still impacting global IPO markets, U.S. stock exchanges have managed to reclaim their position as the top two global IPO stock exchanges despite the relatively subdued activity.

For a significant recovery in IPO activity to occur, it is crucial for investors to regain confidence in the IPO market. The restoration of confidence will depend on various factors, including the ongoing geopolitical uncertainties and the prevailing interest rate environment.”



Paul Lau
Partner
Head of Capital Markets and
Professional Practice
KPMG China

Total Funds Raised by Region – 2024 Q1 vs 2023 Q1

Americas

▲ ~ 235%

Asia-Pacific

▼ ~ 40%

EMEA

▲ ~ 50%



A-share IPO market

A-share IPO market: 2024 Q1 highlights

The A-share IPO market slowed down significantly in 2024 Q1 as regulators emphasize quality over quantity.



RMB38.7B

Total Funds Raised

▼ ~50% compared to 2023 Q1



36

Completed IPOs

▼ ~50% compared to 2023 Q1

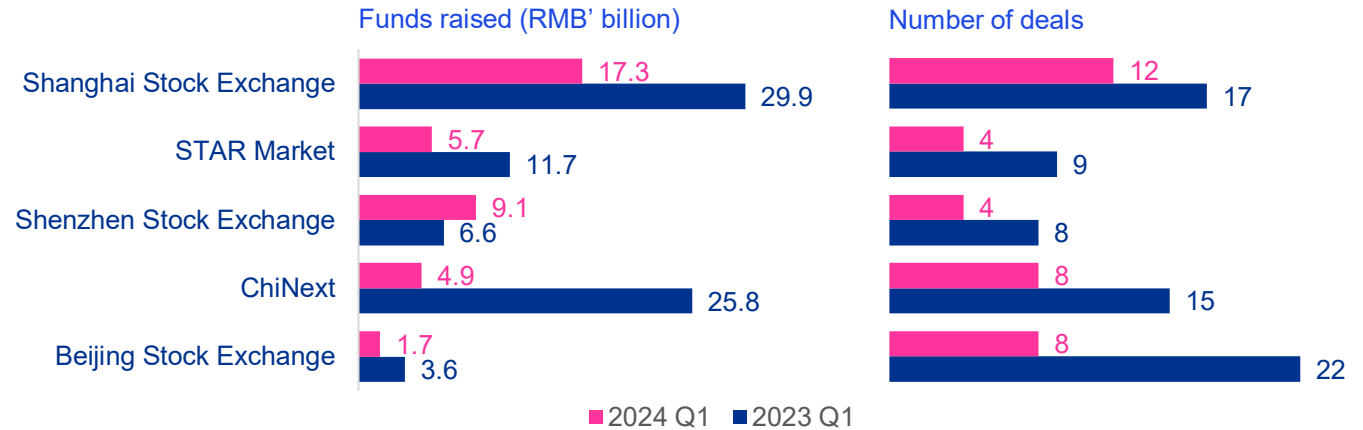


RMB1.1B

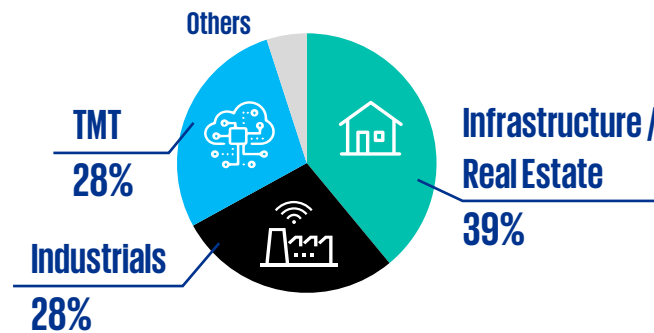
Average Deal Size

Same level as compared to 2023 Q1

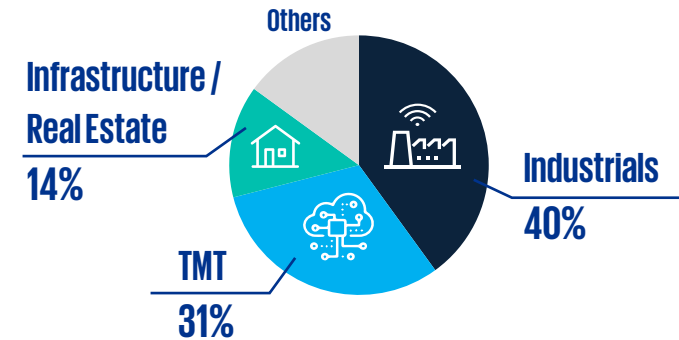
A-share IPO stock exchange distribution



A-share IPO sector distribution by funds raised



A-share IPO sector distribution by number of IPO



Note: All analysis is based on WIND data and included REIT deals as of 31 March 2024, unless otherwise stated

Top 10 largest A-share IPOs

2024 Q1	Company	Exchange	Proceeds (RMB billion)	Sector
1	China Resources Commercial Assets REIT*	SZSE	6.9	Infrastructure / Real Estate
2	Guotai Junan Chengtou Kuanting Affordable Rental Housing REIT*	SSE	3.1	Infrastructure / Real Estate
3	Grandtop Yongxing Group Co.,Ltd	SSE	2.4	Industrials
4	Solax Power Network Technology (Zhejiang) Co., Ltd.	SSE-STAR	2.2	Industrials
5	E Fund Shenzhen Expressway REIT*	SSE	2.0	Infrastructure / Real Estate
6	Xi'an Novastar Tech Co., Ltd.	SZSE-ChiNext	1.6	TMT
7	Shanghai Longcheer Technology Co., Ltd.	SSE	1.6	TMT
8	Wafer Works (Shanghai) Co., Ltd.	SSE-STAR	1.5	TMT
9	Chengdu Sino-Microelectronics Tech. Co., Ltd.	SSE-STAR	1.5	TMT
10	Shanghai Bloom Technology Inc.	SSE	1.2	Industrials

2023 Q1	Company	Exchange	Proceeds (RMB billion)	Sector
1	China Fund Management SPIC New Energy REIT*	SSE	7.8	Infrastructure / Real Estate
2	Hunan Yuneng New Energy Battery Material Co.,Ltd.	SZSE-ChiNext	4.5	Industrials
3	Jiangsu Xukuang Energy Co., Ltd.	SSE	4.3	ENR
4	Greenworks (Jiangsu) Co.,Ltd.	SZSE-ChiNext	3.7	Industrials
5	Wuxi Unicomp Technology Co., Ltd.	SSE-STAR	3.0	Industrials
6	Beijing Energy International Solar Power REIT*	SSE	2.9	Infrastructure / Real Estate
7	Cinda Securities Co., Ltd.	SSE	2.7	Financial Services
8	Hubei Jiangnan New Materials Co., Ltd.	SSE	2.4	Industrials
9	Hubei Hongyuan Pharmaceutical Technology Co.Ltd.	SZSE-ChiNext	2.4	Healthcare / Life Sciences
10	Guangdong Lvtong New Energy Electric Vehicle Technology Co.,Ltd	SZSE-ChiNext	2.3	Industrials

* Refers to real estate investment trusts listings ("REITs")

Note: All analysis is based on WIND data and included REIT deals as of 31 March 2024, unless otherwise stated
Source: Wind and KPMG analysis

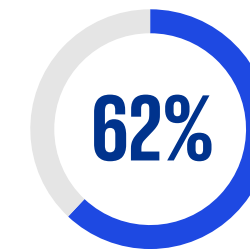


© 2024 KPMG, a Hong Kong (SAR) partnership, are member firms of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved

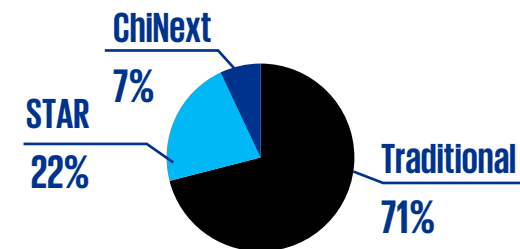
Commercial Assets REIT



dominated the **top** place in 2024 Q1, while **New Energy REIT** took the lead in 2023 Q1



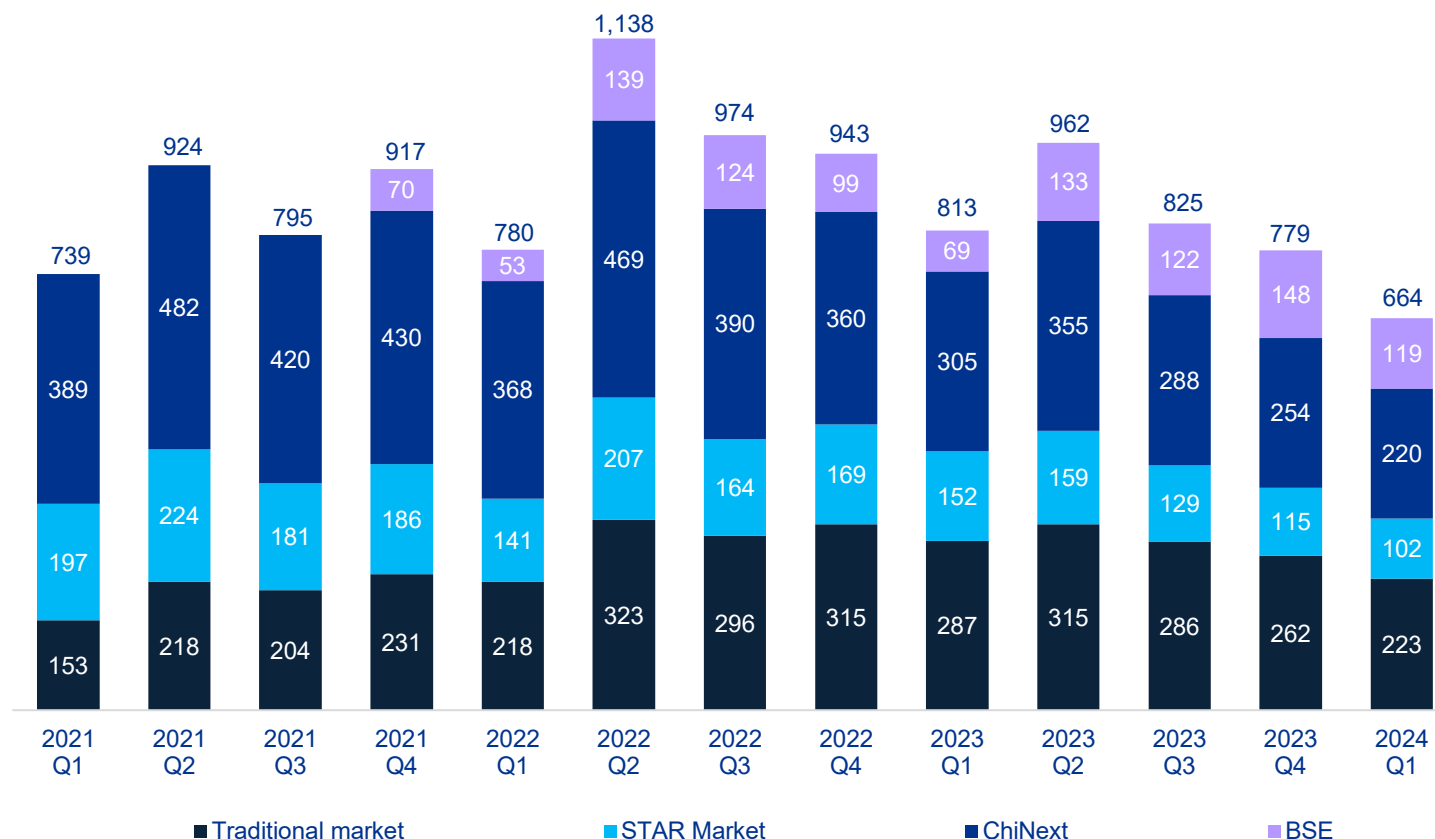
of total IPO proceeds raised by top 10 IPOs in 2024 Q1



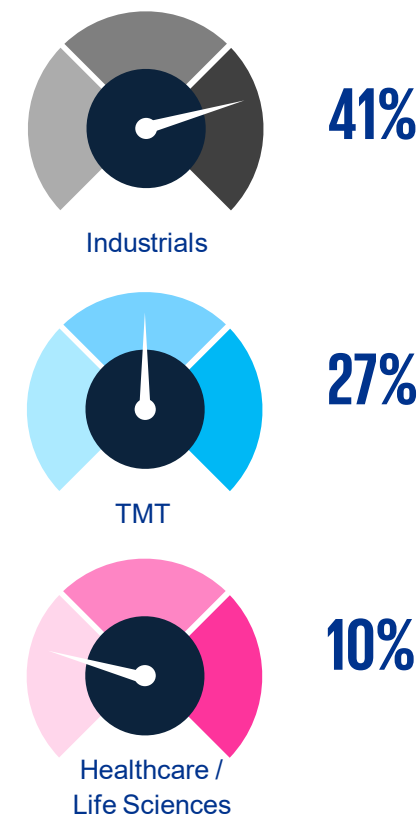
2024 Q1 Top 10 largest IPOs funds raised distribution by stock exchange

A-share IPO Pipeline

Number of active A-share IPO applicants



Top 3 active A-share IPO applicant sectors



Note: All analysis is based on WIND data and included REIT deals as of 31 March 2024. Active applicants included applications suspended due to the expiry of their financial information (中止审查). Historically these applications have been reactivated promptly with updated financial information submitted by the listing applicant.

2024 A-share IPO market Outlook



“

The health and effectiveness of the capital markets play a crucial role in supporting revitalization efforts for the Chinese Mainland economy. The CSRC is prioritising the quality of A-share IPOs, rather than quantity, to promote the long-term growth of its capital markets.

Moreover, the government is expected to continue in implementing economic and monetary policies to maintain a stable investment environment, fostering investor confidence and creating a favorable environment for companies to go public. ”



Louis Lau
Partner
Capital Markets
KPMG China



Hong Kong IPO market

Hong Kong IPO market: 2024 Q1 highlights

Hong Kong IPO market remains muted in the start of 2024, but is expected to improve

HKD4.7B

Total Funds Raised

▼ ~30% compared to 2023 Q1

12 Completed IPOs

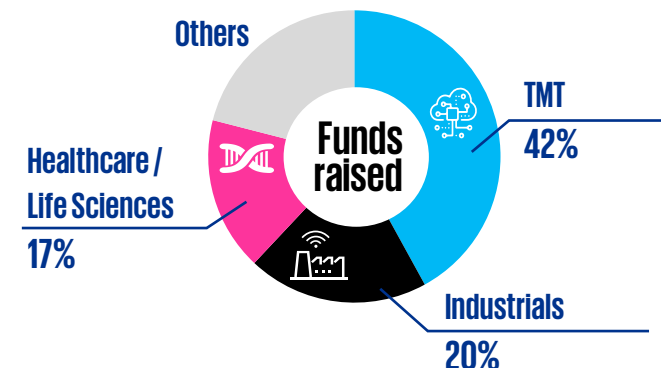
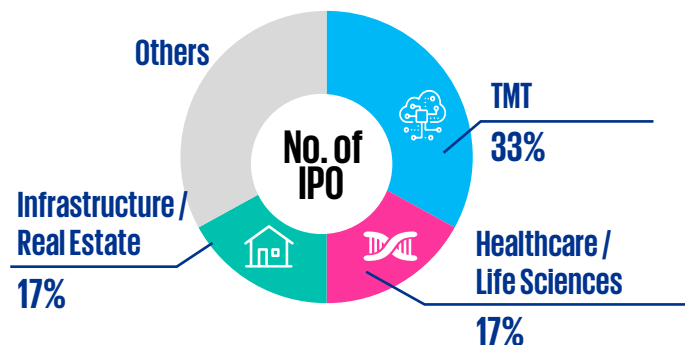
▼ ~35% compared to 2023 Q1

HKD0.38B

Average Deal Size

▲ ~5% compared to 2023 Q1

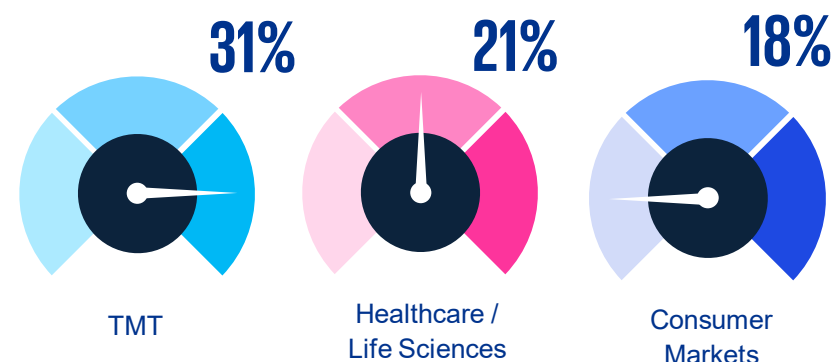
HK IPO sector distribution



Number of active HK IPO applicants



Top 3 active HK IPO applicant sectors



Note: All figures are as of 31 March 2024, included listing by introduction, and excluded SPAC deals and GEM transfer
Source: HKEx and KPMG analysis

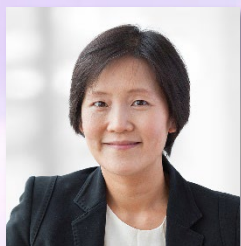
2024 HK IPO Market Outlook

“

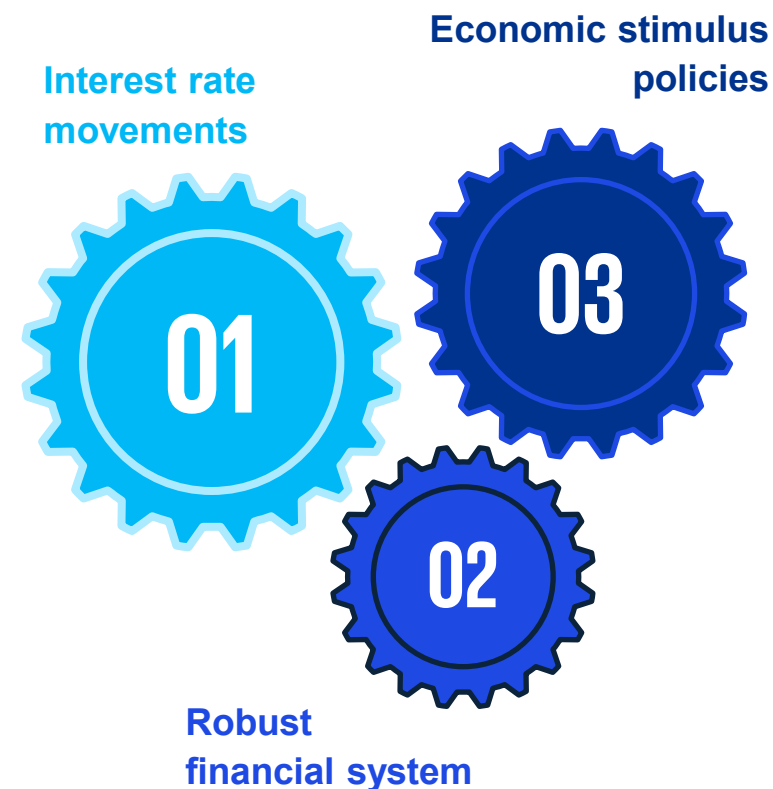
Though the Hong Kong IPO market continues to face headwinds due to the prevailing high interest rate environment and concerns over the economic outlook of domestic and global markets, we stand at the precipice of a remarkable transformation. The convergence of cutting-edge AI technologies and the burgeoning green tech sector presents a glimmer of hope amidst the challenges.

While we acknowledge the hurdles, we also see businesses embracing the opportunities that lie within this dynamic landscape by leveraging emerging and capitalising on the growing demand for green technologies. This paves the foundation for a strong market recovery.

”



Irene Chu
Partner
Head of New Economy and Life Sciences
KPMG China



Contact us



Paul Lau

Partner,
Head of Capital Markets and Professional Practice
KPMG China
+852 2826 8010
paul.k.lau@kpmg.com



Louis Lau

Partner,
Capital Markets Group
KPMG China
+852 2143 8876
louis.lau@kpmg.com



Mike Tang

Partner,
Capital Markets Group
KPMG China
+852 2833 1636
mike.tang@kpmg.com



Irene Chu

Partner,
Head of New Economy and Life Sciences
KPMG China
+852 2978 8151
irene.chu@kpmg.com



Terence Man

Partner,
Capital Markets Group
KPMG China
+86 (10) 8508 5548
terence.man@kpmg.com



Elton Tam

Partner,
Capital Markets Group
KPMG China
+852 2978 8188
elton.tam@kpmg.com



kpmg.com/cn/socialmedia

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2024 KPMG, a Hong Kong (SAR) partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.

Document Classification: KPMG Public